



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 108th CONGRESS, FIRST SESSION

Vol. 149

WASHINGTON, TUESDAY, JUNE 10, 2003

No. 84

House of Representatives

The House met at 10:30 a.m. and was called to order by the Speaker pro tempore (Mr. BOOZMAN).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,

June 10, 2003.

I hereby appoint the Honorable JOHN BOOZMAN to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed a concurrent resolution of the following title in which the concurrence of the House is requested:

S. Con. Res. 49. Concurrent resolution designating the week of June 9, 2003, as National Oceans Week and urging the President to issue a proclamation calling upon the people of the United States to observe this week with appropriate recognition, programs, ceremonies, and activities to further ocean literacy, education, and exploration.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 7, 2003, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Connecticut (Ms. DELAURO) for 5 minutes.

THE CHILD TAX CREDIT

Ms. DELAURO. Mr. Speaker, I rise to again discuss an issue of great concern to American families. I am talking about extending the child tax credit to families that need it most.

A few weeks ago, this body passed a \$350 billion tax cut bill that gave every millionaire in this country a \$93,000 tax break. It made sure every corporation still had the right to avoid paying taxes by relocating overseas and taking American jobs with it. But the bill shorted 6.5 million low-income families who pay taxes and who are most in need. These families earn between \$10,500 and \$26,625 annually. Out of a \$350 billion bill, the President and Republicans in charge of this body could not find \$3.5 billion, 1 percent, for the poorest American families.

I tried to address this problem back on March 12 in the Committee on the Budget, but my amendment to extend this tax credit to those families was turned aside on a party-line vote. And then when it seemed that the Democrats had successfully included that provision in the larger tax package during the conference, the Republicans secretly eliminated it in the dead of night. Last week Democrats, united and resolute, said that that was not enough, that these 6.5 million families deserve this tax cut because they worked every bit as hard as the 25 million other families that will be receiving their tax refund in the mail next month. They pay almost 8 percent of their income in payroll taxes or sales taxes.

And last week the Senate restored the child tax credit to these hard-working families; and just yesterday the President's spokesperson called on the House to take up that legislation, but our colleagues on other side of the aisle just do not get it. They do not see the urgency in helping the 12 million children left behind by their tax bill. The majority whip said yesterday that he

did not know if the House would act on the other body's bill. As if that were not bad enough, the Chair of the Republican Study Committee said in this morning's Congress Daily, if the House is going to take up this legislation that the Republicans should get something in exchange.

It is always a deal with these people. It is as if there were no families who are trying to put food on their table or clothes on their children's backs. All they care about is taking care of their own people, like the Enrons who paid no taxes in 4 of the last 5 years. It was another colleague on the other side of the aisle who said one must pay an income tax in order to earn a tax credit. That is the way it works. But she did not care about Enron who paid no taxes the last 4 out of 5 years. For Republicans it is all about the deal. It is not about the fundamental values of fairness or of taking care of people. It is about the deal, what do we get in return.

We have passed three tax bills that benefit the wealthy in this last 3 years, but we have done nothing to help people that need it the most. It is high time the House of Representatives did its job. I commend the President for setting aside the quest for a deal and urging the House to take up this bill, which the other body passed by an overwhelming margin. We must restore what was stolen in the dead of night, and if we do not act soon, the families of these 12 million children will not be receiving the tax credit in the mail this July 1 like the other 25 million families. Now is the time for action.

PRICE CONTROLS NEVER WORK

Mr. STEARNS. Mr. Speaker, as we return from recess to write and act on legislation for a Medicare prescription drug benefit, I am asking my colleagues and the American people to resist the temptation to succumb to

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



Printed on recycled paper.

H5091

price controls. This is perennial around here. A lot of folks believe that price ceilings for pharmaceuticals to be a feasible solution to the high costs that we experience with pharmaceuticals, but they never work.

Against the advice of economic advisers, including Nobel Prize-winning economist Milton Friedman, one President instituted a broad range of price controls in August of 1971; but many of the Members saw the PBS series "Commanding Heights" last year in which the author, Daniel Yergin, recalled "the public was convinced that food prices were going up," so the President "opted for wage and price controls. Voters liked the price controls, and the President was reelected in a landslide." Owing to that we can control prices but we cannot control the laws of supply and demand, the economy did not respond as the President hoped it would. Mr. Yergin said, "Right away, the economy went out of whack; people couldn't cover their costs. Ranchers stopped sending their cattle to market. Farmers started drowning their chickens. Instead of controlling inflation, they were controlling shortages."

To those old enough to remember 1971, remember those price ceilings? Lines for gas were all over the place for our cars. Black markets were started. New work started for organized crime. Shortages on grocery shelves. And prices still continued to rise, while just as the public clamored about too expensive food, some begged for more price controls.

Why do price controls not work? According to even a basic-level college text dealing with macroeconomics by Byrns and Stone, "price ceilings keep monetary prices from rising but not average opportunity costs . . . there will be excess demand (or shortages). But price ceilings keep prices down, do not they? Unfortunately, the answer is NO!" This is from a basic text in all of our college economic courses.

The people who most value a good or service and are willing to pay an extra dollar in nonprice resources, such as waiting time, lobbying efforts, bribery, or black market premium, will do so. Have the Members noticed that more than a few Canadians who live under a price-controlled health care system, if they need health care beyond their primary care, what do they do? They travel to the United States to get it because it is the best in the world. So the Members do not have to trust what I am saying today. Just read some of the basic text in our college economic courses.

But why is it that a majority of pharmaceutical innovation occurs in the United States? Because the free market offers a reward to undertaking that risk. How many blockbuster drugs has Canada invented lately? The National Taxpayers Union warns lawmakers "America is the world leader in the research and development that results in innovative lifesaving medications." For the United States to look to Can-

ada for "drugs at an artificial price set by some other country would be, quite simply, a way to rob the pharmaceutical companies of revenue needed to refund research. It is certainly cheap to manufacture pills if someone else supplies the research and development funding. On average, it costs the pharmaceutical companies over \$800 million and takes 12 years to bring a new drug to market. While countries like Canada may beckon to us with their centrally controlled drug prices, none of those types of countries can begin to approach the United States in the development of new, innovative drugs that can save millions of lives."

Citizens for a Sound Economy point out "prescription drug prices differ between nations based on a variety of factors, including per capita income and type of health care system" that is provided. Perhaps one of the reasons American seniors and disabled are looking at Canada's and Europe's ceiling-priced pharmaceuticals is because that is what they lack. We do not hear seniors asking for relief on the prices of outpatient visits or MRIs because they are not paying out of pocket themselves.

One more unique viewpoint, that of interfering with Americans' right to vote with their dollars: Americans for Tax Reform ponders how the "impact of Canadian subsidies on the U.S. market will affect American taxpayers. Government subsidies of any kind interfere with market forces to drive competition and innovation. Foreign subsidies usurp taxpayers' ability to affect democratically the prices of necessary medicines."

The solution is not for Congress to manipulate prices, but to expand coverage to Medicare beneficiaries, to expand private sector health insurance coverage to the uninsured. Price controls never work.

THE IRONY OF NO CHILD LEFT BEHIND

The SPEAKER pro tempore. Pursuant to the order of the House of January 7, 2003, the gentleman from Texas (Mr. BELL) is recognized during morning hour debates for 5 minutes.

Mr. BELL. Mr. Speaker, I rise today to talk about the irony of No Child Left Behind, a very popular phrase here in our Nation's Capitol. My colleagues on the other side of the aisle tout No Child Left Behind when in actuality they deliberately choose to leave millions of children behind.

President Bush signed a new law that would provide tax cuts of \$93,500 to the 200,000 taxpayers making over \$1 million. Let us go over that again: \$93,500 in tax cuts to the 200,000 taxpayers making over \$1 million. However, 53 percent of all taxpayers will get less than \$100 under the GOP tax cut, just another example of the administration choosing the wealthiest over America's working families. But as they used to say on the old television commercials,

but wait, there is more. What is even more egregious in this particular case is that the administration chose not to provide or increase the child tax credit to working families making between \$10,500 to \$26,625 per year. That is right. If they make \$10,500 to \$26,625 per year, they miss out on the child tax credit.

Mr. Speaker, Republicans in the other body dropped a provision added by Senator LINCOLN that would help nearly 12 million children and their families get such a tax credit. Out of that 12 million, a staggering 8 million received no child tax credit under the GOP law. Mr. Speaker, the Republican plan in no way, shape, or form protects the children that need it the most. Instead, the plan deliberately excludes these children. In actuality, the Republican plan should be called the "Plan to Leave Children Behind."

This is why I urge my colleagues to support H.R. 2286, the Rangel-Davis-DeLauro bill. I am proud to be a cosponsor of this bill. It is a great start to preparing the damage inflicted by the administration's reckless and negligent tax package. H.R. 2286 would restore the child tax credit to families making minimum wage by providing greater tax relief to working families. Nineteen million children and their families would benefit from this bill. In fact, over 2 million children in my home State of Texas would benefit under the Rangel plan.

In addition to the child tax credit, H.R. 2286 would create more jobs. The provisions in this bill are key elements to the House Jobs and Economic Growth package and would create more than 1 million jobs without adding one penny to the deficit, welcome relief in a State like Texas where we are looking at our highest unemployment in 10 years, reaching close to 7 percent. Lastly, this bill has key elements that would ensure our brave men and women in uniform are not denied tax relief just because they are on active duty.

Mr. Speaker, I urge my colleagues to support H.R. 2286. This tax plan is fair. It helps America's economy, America's men and women in uniform, and it helps America's working families. Most importantly, it allows us to not just talk about it, but it allows us to actually leave no child behind.

INNOVATION, MANUFACTURING, AND JOBS

The SPEAKER pro tempore. Pursuant to the order of the House of January 7, 2003, the gentleman from Michigan (Mr. SMITH) is recognized during morning hour debates for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, I rise this morning to talk about the danger of losing good-paying jobs and our strong economy here in the United States.

Manufacturing has been America's economic strength. For 3 decades now, manufacturing productivity has increased more than any other sector of